

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

**THE STATE'S PROJECT WORKABILITY
HAS IMPROVED THE COORDINATION OF
SERVICES FOR AND THE EMPLOYABILITY
OF HANDICAPPED STUDENTS**

REPORT BY THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

P-281

THE STATE'S PROJECT WORKABILITY HAS IMPROVED
THE COORDINATION OF SERVICES FOR AND THE
EMPLOYABILITY OF HANDICAPPED STUDENTS

FEBRUARY 1984



Telephone:
(916) 445-0255

Thomas W. Hayes
Auditor General

STATE OF CALIFORNIA
Office of the Auditor General
660 J STREET, SUITE 300
SACRAMENTO, CALIFORNIA 95814

February 2, 1984

P-281

Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning the State's Project Workability. The report indicates that the project has improved the employability of handicapped students and has improved the coordination of services to these students.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	i
INTRODUCTION	1
ANALYSIS	
PROJECT WORKABILITY HAS IMPROVED THE COORDINATION OF SERVICES FOR AND THE EMPLOYABILITY OF HANDICAPPED STUDENTS	5
CONCLUSION	13
RECOMMENDATIONS	14
RESPONSE TO THE AUDITOR GENERAL'S REPORT	
State Department of Education	17
Health and Welfare Agency	19

SUMMARY

Project Workability (project) is an employment and training program designed to enable handicapped high school students to become more employable. The project provides assessments of students' skills, employment training, work experience, and other support services to these students. Based upon our review and the evaluations conducted by agencies participating in the project, we conclude that the project has improved the employability of handicapped students and has improved the coordination of services to these students. However, we could not fully assess the effectiveness or the long-term results of Project Workability because the project has only been operating for just over a year. In addition, approximately 56 percent of the participants were juniors or sophomores in high school and thus not yet available for employment.

The project is designed to coordinate services of the State Department of Education (SDE), the Employment Development Department (EDD), and the Department of Rehabilitation (DR). The SDE is responsible for the overall administration of the project. In fiscal year 1982-83, 34 local educational agencies operated the project at the local level. The local educational agencies provided employment training and related services, the EDD provided job placement assistance, and the DR provided counseling and other support services. The project enabled agencies at both state and local levels to coordinate responsibilities and avoid duplicating certain activities. This coordination improved the services to the handicapped students and, in some instances, enabled participating agencies to avoid costs.

In fiscal year 1982-83, 2,051 handicapped students participated in the project; 1,007 of these students received on-the-job training. Of those who graduated from high school or left school after receiving this training, 49 percent obtained jobs. Staff from agencies participating in the project noted some instances in which handicapped students who might otherwise have depended upon public assistance found employment as a

result of the project. In addition, the project has improved the attitudes of the students and their parents, teachers, and employers about the ability of handicapped students to be employed.

The SDE is taking additional steps to evaluate the project. The SDE has contracted with the University of California at Santa Barbara to assess the project's effectiveness by tracking students who obtained employment as a result of their participation in the project. A final report is expected in August 1984. In addition, the SDE has established committees, composed of representatives from various local educational agencies that participated in the project, to evaluate the services that this project provided.

INTRODUCTION

Project Workability (project) is designed to increase the employability of handicapped high school students who are between the ages of 16 and 21 and who are also eligible for special education. The project is also designed to improve the attitudes of parents, teachers, employers, and the students themselves about the ability of handicapped students to obtain employment. Administrators from the State Department of Education (SDE), the Department of Rehabilitation (DR), and the Employment Development Department (EDD) developed the project; the SDE is responsible for the overall management of the project. The project promotes coordinating services between these departments to meet more effectively the training and employment needs of handicapped students. To facilitate this coordination of services, participating agencies at the state and local levels entered into formal agreements. The agreement at the state level outlined the roles and responsibilities of the SDE, the EDD, the DR, and the local educational agencies. Before the project was implemented, there had been only limited coordination of services between the EDD, the DR, the SDE, and the local educational agencies, and there had been only limited effort to recruit and serve handicapped students.

During fiscal year 1981-82, the SDE, the DR, and the EDD tested a pilot project in the Riverside-San Bernardino area. Then, for fiscal year 1982-83, the departments jointly selected 34 local educational agencies to implement the project throughout the State. These local

educational agencies included entities such as school districts and county offices of education. Each local educational agency submitted a project proposal to the SDE for approval. The proposal generally served as a formal agreement between the local educational agency and the local participating offices of the EDD and the DR. The local educational agencies' projects varied depending upon such factors as the availability of vocational education classes for handicapped students and the severity of the students' disabilities. Some of the local educational agencies added vocational courses and work experience to their curriculum to meet the needs of handicapped students. The local DR offices assisted the local educational agencies in counseling both students and parents, and they often helped design student assessment processes. The EDD provided job search workshops, assisted in job placement, and completed paperwork so that students could receive work experience wages.

In fiscal year 1982-83, 2,051 handicapped high school students were enrolled in the project. The majority of these students had learning disabilities. A learning disability is a disorder in one or more of the basic psychological processes involved in understanding or using language. The disorder may lead to problems in listening, thinking, speaking, reading, writing, spelling, or working mathematical calculations. Students also had other types of disabilities including mental retardation, emotional disturbances, and deafness.

The local educational agencies financed the project primarily with federal funds, although state and local sources also provided funding. Each of the local educational agencies received a grant of approximately \$25,000 from the SDE's discretionary funds under the federal Education of the Handicapped Children Act; these grants totaled \$921,272. The EDD contributed \$235,000 to 20 of the 34 local educational agencies to help pay for student wages; these funds were provided by the state Youth Employment and Development Act. The EDD also provided a total of \$15,000 to the local EDD offices for administrative costs associated with these wages. In addition, the SDE, the EDD, the DR, and the local educational agencies provided certain support services. Support services are, generally, the normal services provided by these agencies. Because the agencies did not keep separate accounts for the support services they contributed, we cannot provide detailed information on the cost of these services.

SCOPE AND METHODOLOGY

Since Project Workability has only been operating for just over a year and because many of its participants have not yet graduated from high school, we cannot fully assess the project's effectiveness or long-term results. We focused our review on the coordination between the agencies involved in implementing the project, the results of the project, and the agencies' efforts to evaluate the project.

To evaluate the coordination efforts, we reviewed the state and local project agreements and the policies and procedures used to implement the project. We also assessed the efforts of these agencies to avoid duplication of services. As part of our review, we interviewed officials from the State Department of Education, the Employment Development Department, and the Department of Rehabilitation. We also visited four local project sites in Contra Costa, Los Angeles, Orange, and San Mateo counties. We reviewed project data and interviewed project staff from the local educational agencies, the local EDD offices, and the local DR offices in order to assess the coordination between the agencies and to evaluate the projects' results. Finally, to assess the efforts made to evaluate the project, we reviewed both the SDE's and the EDD's evaluations of the project, and we examined other statistics that these departments compiled.

ANALYSIS

PROJECT WORKABILITY HAS IMPROVED THE COORDINATION OF SERVICES FOR AND THE EMPLOYABILITY OF HANDICAPPED STUDENTS

Through Project Workability (project), the State Department of Education (SDE), the Employment Development Department (EDD), and the Department of Rehabilitation (DR) coordinated activities to assist handicapped students in obtaining employment. By coordinating efforts, state and local agencies were able to provide an integrated program for these students, and, in some instances, these agencies were able to avoid costs for certain services. The project assesses each student's vocational interest, aptitude, and skills and provides employment training, work experience, and other support services. Following the first full year of this project, about 49 percent of those students who received work experience and either graduated or left school became employed. In addition, according to staff from the agencies participating in the project, the project improved the attitudes of participants and their parents, teachers, and employers about the ability of the handicapped to be employed.

Coordination Efforts Have Improved Services to Handicapped Students

Administrators of the SDE, the EDD, and the DR initiated Project Workability because they believed that handicapped students were not being adequately prepared for employment. Before the project was

initiated, only limited coordination of services for handicapped students existed between the EDD, the DR, the SDE, and the local educational agencies. The EDD, the DR, and the SDE had generally made services available to handicapped students, but they had made only limited efforts to recruit and serve these students. Many local educational agencies had offered only limited job training opportunities for handicapped students.

Through Project Workability, the SDE, the EDD, and the DR worked together to establish policies and guidelines for local agencies, to commit resources, and to resolve administrative problems. In addition, coordination and planning at the local level helped determine the roles and responsibilities of both the local educational agencies and the local EDD and DR offices. As a result of the coordinated efforts at the local level, local educational agencies were able to provide more comprehensive services to handicapped students.

Moreover, by working together, the SDE, the EDD, the DR, and the local educational agencies made effective use of their respective resources. For example, some local educational agencies changed their curriculums to provide vocational education classes and work experience for handicapped students. One local educational agency we visited had no such classes or training for handicapped students before the project; it began providing these classes because of the project.

The EDD, through its local offices, provided a number of job-related services. Local EDD offices offered job search workshops for

handicapped students, placed students in jobs, processed forms so that students could receive wages, and provided information on tax credits to employers of handicapped students. Staff at the EDD said that some of these services were not provided to handicapped students before the project began.

Local DR offices worked with local educational agencies to design a student assessment process that would determine which students should be referred as clients to the DR. As a result of the project, local DR offices reported that they received an increased number of handicapped students as clients. A DR statistical report notes that, as of November 1983, 924 students had been referred to the DR as a direct result of Project Workability. According to staff at the local DR offices, these referrals enabled the local DR offices to accept eligible handicapped students as clients and, therefore, provide them with counseling and support services at an earlier age. Department of Rehabilitation staff at both state and local levels said that the earlier their services are received, the more beneficial those services are. Officials of the DR noted that the best time for a handicapped student to begin receiving DR services is while that student is in the last two years of high school.

Another benefit of coordinating activities is that agencies participating in the project avoided duplicating the services provided to handicapped students. For example, staff at the local DR offices stated that, instead of having to conduct their own assessments of handicapped

students, they were able to use the assessments conducted by the local educational agencies. A representative of one local DR office reported that, by coordinating assessments and other services, his office avoided costs of approximately \$68,000 for fiscal year 1982-83. Another project administrator noted that the local DR office in his area saved \$6,800 by avoiding duplicate assessments. In addition to not having to conduct duplicate assessments, staff at some local agencies also reported that they were able to consolidate the paperwork involved in providing services to handicapped students.

At the state level, the SDE, the EDD, and the DR made efforts to avoid duplication by cooperatively collecting information about the project. For example, using and revising the EDD's review format, the three departments jointly reviewed six local project sites. The departments examined the extent to which participating agencies coordinated services and assessed the effect of the project on the students. In addition, the three departments developed a data file to be used in analyzing the project and to compile statistical information about the students, the services they received, and their future plans.

Project Workability Has
Made Handicapped
Students More Employable

In implementing the project, the local educational agencies and the local EDD and DR offices provided various services to increase employment opportunities for handicapped students. These services

included assessment, employment training, work experience, and support services. As a result of the project, handicapped students have had more opportunities for employment.

One of the services provided to handicapped students is assessment. Staff at the local educational agencies assessed students to determine their interests, abilities, and aptitudes. In some locations, DR staff assisted with the assessment. The local educational agencies, the EDD, and the DR used the assessment results to counsel students and parents, to recommend classes, and to match students with jobs.

Another service is employment training; over half of the students participating in the project were enrolled in employment training classes. Employment training included instruction in how to explore career possibilities, how to find a job, and how to behave on the job. In addition to the classes given by the local educational agencies, the EDD and some community organizations held workshops to provide information about the labor market and to teach students how to find jobs. Staff at the local agencies, as well as the EDD's evaluation of the project, noted that employment training classes were important in helping prepare handicapped students for future employment.

Besides providing assessments and employment training, local project administrators attempted to find "work experience" positions for students while they participated in the project and permanent jobs for them after they graduated. The work experience generally consisted of 10

hours per week of paid, on-the-job training for a maximum of 16 weeks. Project administrators at the state and local levels noted that the work experience was an important service of Project Workability. Of the 2,051 students enrolled in the project, 1,007 obtained work experience in jobs provided by both private and public employers. Students worked in such jobs as child care, auto repair, retail sales, and food preparation. Through work experience, students developed specific skills and learned about employers' expectations. Work experience also increased the students' self-confidence and gave them an opportunity to demonstrate their capabilities to employers. Seventy-five percent of those students who obtained employment after participating in the project were hired by the employers who had provided them with work experience positions.

According to staff at the SDE, approximately half of those students participating in the project received wages for their work experience. These wages were often paid from project funds, such as those provided by the state Youth Employment and Development Act and the federal Education of the Handicapped Children Act. Project staff found that providing funds to pay students' wages was the best incentive for getting employers involved in the project, because some employers would not have accepted a handicapped student as a trainee if they had been required to pay that student's wages.

Most of the staff we interviewed indicated that the project increased the employment opportunities for handicapped students. A September 1983 SDE survey shows that, of the 621 students who had

received work experience and then graduated or left school, 303 (49 percent) obtained employment and 210 (34 percent) continued their education. Employment of handicapped students represents a savings to the taxpayer. A report by the U.S. Department of Education estimates that removing one person from public assistance saves \$6,000 to \$10,000 annually. One local project director said that four students who would otherwise have been unemployed and receiving public assistance obtained employment because of the project. She estimated that employment of these students resulted in a cost savings of \$24,000 to the State and the federal government. Staff from other local projects also reported potential cost savings as a result of employing students who might otherwise have been on public assistance.

In addition to the monetary benefits of employing handicapped students, the project has also improved the attitudes of students, their parents, their teachers, and their employers. Staff at one local educational agency reported that the classroom attendance, behavior, and grades of many handicapped students improved because of the project. In addition, the students' success on the job has helped make teachers and parents more aware that handicapped students do have the ability to work and earn a living. A job developer at a local educational agency said that employers have also been impressed by the students and that employers are generally more receptive to hiring handicapped youth. Some employers said that they had been reluctant to be involved in the project at first but that most of their doubts later proved to be unfounded.

Further Evaluation of Project Workability

Because Project Workability has only been operating for just over a year, we cannot fully assess its effectiveness. Approximately 56 percent of the participants were juniors or sophomores in high school, and thus not yet available for employment; therefore, we could not determine the effect of the project on the employment of these students. It is too early to determine if students who become employed will remain employed.

Although it is too soon to judge the long-term effects of the project, the SDE is taking steps to evaluate the project further. The SDE has awarded a grant to the University of California at Santa Barbara to review the project's effectiveness. This review will concentrate on handicapped high school students who participated in the project during the 1982-83 school year. It will compare project participants who graduated with another group of handicapped high school graduates who did not participate in the project. A final report is expected in August 1984.

The SDE has also organized committees, which include representatives of local educational agencies, to write guidelines for developing a successful Project Workability. In June 1984, the SDE will make these guidelines available to any local educational agency interested in participating in the project.

For fiscal year 1983-84, 33 local educational agencies are participating in the project. Although the SDE and the DR are continuing their participation in the project, the EDD may limit its participation because of a reduction in its funds. Funds under the state Youth Employment and Development Act that the EDD used for student wages were deleted from the Budget Act for fiscal year 1983-84. Because these funds will not be available for student wages, the EDD will no longer be responsible for completing the paperwork associated with paying these wages. Further, the EDD project coordinator stated that project participation by the local EDD offices will depend upon the staffing and funding resources available at each local office. The SDE, the EDD, and the DR have developed an interagency memorandum outlining each department's responsibilities for Project Workability for fiscal year 1983-84. As of January 6, 1984, however, the memorandum had not yet been approved by all three departments.

CONCLUSION

Project Workability has facilitated the coordination of services to handicapped students. Through this coordination, the State Department of Education, the Employment Development Department, the Department of Rehabilitation, and local educational agencies have provided an integrated employment training program to these students. This program has resulted in improved employment opportunities for handicapped students, and it has improved the attitudes of the students and their

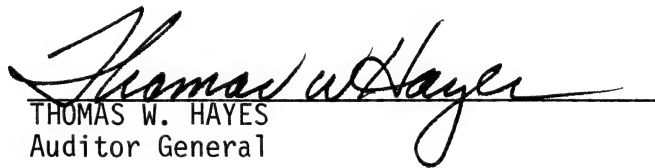
parents, teachers, and employers about the ability of the handicapped students to be employed.

RECOMMENDATIONS

To ensure that state and local agencies continue to coordinate services to handicapped students, the State Department of Education, the Employment Development Department, and the Department of Rehabilitation should continue their participation in Project Workability to the extent that resources are available. Furthermore, the SDE should continue its efforts to evaluate the project with the cooperation of the EDD and the DR. Finally, the SDE should report to the Legislature by September 1985 on the long-term effects of the project. This report should include a cost-benefit analysis of the project.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Date: January 30, 1984

Staff: Eugene T. Potter, Audit Manager
Dennis Sequeira
Janice Shobar Simoni
Patricia Woehrlin



CALIFORNIA STATE DEPARTMENT OF EDUCATION

Bill Honig

721 Capitol Mall

Superintendent

Sacramento, CA 95814

of Public Instruction

January 23, 1984

Thomas W. Hayes
Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

Thank you for the opportunity to review and comment on the report entitled "Project Work Ability Has Improved The Coordination Of Services For And The Employability Of Handicapped Students." We agree with the basic conclusion reached in the report: "This program has resulted in improved employment opportunities for handicapped students..."

We commend your office for its investigation of Project Work Ability and especially wish to recognize Dennis Sequeira, Patricia Woehrlin and Janice Simoni for their excellent rapport with our staff and with local education agency staff. They have described the complexities of this project involving many state and local agencies, employers, parents, community organizations and students who are responsible for its success.

Staff from the Department of Education have discussed the report with representatives from Employment Development Department and Department of Rehabilitation and have no major points of disagreement with their responses to this report.

We are pleased with the findings of the audit, but would like to add some points to further clarify some issues.

The report primarily stresses interagency coordination aspects of Project Work Ability. However, two of the major reasons that Employment Development Department and Department of Rehabilitation participated in the project were the schools' willingness to increase their support of work experience education or community classroom opportunities for handicapped students, and the link between the projects' paid work experience education and training and subsequent employment.

The role of private sector employers, Service Delivery Agencies, and community-based organizations should also be stressed, as PL 94-142 state discretionary funds were used as an incentive to redirect available local resources in schools and in the community. The majority of students were trained in private sector jobs.

Thomas W. Hayes
January 23, 1984

Page 2

Finally, Work Ability demonstrated that most local education agencies are willing to provide employment-related training and work experience education for handicapped students. We believe that the fiscal incentives and resources from the Departments of Rehabilitation and Employment Development are essential for its continued successes.

Thank you for the support that you have provided to the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Honig, For". The signature is stylized and cursive.

Bill Honig, Superintendent
of Public Instruction

BH:gzs



HEALTH and WELFARE AGENCY

OFFICE OF THE SECRETARY
1600 NINTH STREET, ROOM 460
Sacramento, California 95814
(916) 445-6951

January 25, 1984

37:7:ey

Mr. Thomas W. Hayes
Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

Thank you for the opportunity to comment on your draft report entitled, "The State's Project Workability Has Improved the Coordination of Services for and the Employment of Handicapped Students". We appreciate the courtesy and consideration shown by the auditors who conducted the study.

We certainly agree with the basic conclusion reached in the report: "This program has resulted in improved employment opportunities for handicapped students, and it has improved the attitudes of the students and their parents, teachers, and employers about the ability of the handicapped students to be employed." We also support the recommendations that the involved departments should continue participation to the extent that resources are available; that evaluation should continue; and that the State Department of Education should report on the long-term effects of the project.

We would like to see one addition made to the report at the conclusion of the first paragraph on page 3.

While EDD did not track the costs of the support services provided by its field offices, seventeen offices did have their budgets augmented specifically for services to students in the Workability Project. A total of \$506,798 from EDD's Employment Service Grant was used for augmentation purposes.*

This addition would acknowledge the financial commitment made by EDD's Job Service to the Workability Project.

Staff from the Department of Rehabilitation and the Employment Development Department have discussed the report with a representative from the Department of Education and have no major points of disagreement with their response.

* Auditor General Comment: The \$506,798 was not included in the report because the EDD did not keep a separate account to track costs related to Project Workability. Therefore, there is no assurance that all of these funds were used for Project Workability.

Mr. Thomas W. Hayes

Page 2

Thanks again for your consideration.

Sincerely,



for DAVID B. SWOAP
Secretary

cc: P. Cecie Fontanoza, B-22
Bill Honig, E-8
K. R. Kiddoo, E-31

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps